GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:3165
ANSWERED ON:16.08.2005
SICK INDUSTRIES
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Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a): whether the Government has any scheme to check sickness of small scale industries at the initial stages instead of waiting for their turning sick and referring them to the B.I.F.R.;

(b): if so, the details thereof;

(c): whether the Government is contemplating to formulate any scheme under which marginally sick industries or the industries having apprehension of turning sick can get assistance from the Government agency at initial stage; and

(d): if so, the details thereof?

Answer

MINISTER OF SMALL SCALE INDUSTRIES & AGRO AND RURAL INDUSTRIES(SHRI MAHABIR PRASAD)

(a)to(d): The Government is fully seized of the problem of sickness in the small scale industries (SSI) sector and has taken various measures to facilitate timely identification and rehabilitation of potentially viable sick industries. These include setting up of State Level Inter-Institutional Committee in each State under the convenorship of Reserve Bank of India (RBI). Further, the RBI has issued detailed guidelines to banks in January 2002 on detection of sickness at an early stage and taking remedial measures, and for rehabilitation of sick SSI units identified as potentially viable. These guidelines include, inter alia, change in the definition of sick SSI units, norms for deciding on their viability, concessional finance, etc., with a view to helping the banks in detecting sickness at an early stage and taking corrective action for revival of the potentially viable sick SSI units.